

Conceptualizing Effects of Communications Alignment in Buyer-Seller Relationship

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Abstract

Communication is one of key elements of relationship, nevertheless little is said about communication in research on relations on the business-to-business market. As a rule, it is treated as the environment in which an interaction takes place or as an independent variable. In the latter case it is to support the success of building relations, often as a important part of relationship atmosphere. This paper presents the outline of research concept which aims to identify interrelations between communication itself and some relational outcomes. The concept of this research is based on dyadic sales interaction (i.e. salesperson-buyer communication) and the idea of adaptive selling.

Keywords: business-to-business communication, buyer-seller dyad, adaptive selling, business relationships

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Communication in business relations

Relationships and networks are essentially formed by interpersonal communication processes which, in turn, are affected by their contextual and structural factors. Relationships and networks, therefore, cannot be understood without having knowledge of the communication processes occurring within them (Olkkonen, Tikkanen, Alajoutsijarvi 2000).

Communication is one of the key elements of relationship (Guenzi, Pardo and Georges 2007, Biong and Selnes 1996) and together with an interaction process and a value process, is among three processes that are vital for the successful execution of a relationship strategy (Grönroos 2004). In business-to-business relations the main task of communication is ensuring that intentions and capabilities of partners are understood, and preparing the ground for relationship development. The quality of information and its exchange influence the success of relations (Mohr and Spekman 1994). The role of communication is so significant that there are suggestions to treat it as the basic index of relationship lifespan (Mohr and Spekman 1994).

Research conducted on communication indicated its link with the relation between supplier and customer. Communication has an effect on trust (Mohr and Nevin 1990, Andersen and Narus 1990), coordination of activities (McQuarrie 1993) or commitment (Hakansson, Johanson and Wootz 1976), and through these variables - on the results of a distribution channel (Mohr and Nevin 1990). Consequently, communication is seen as the essence of coordination of organisation's behaviours (Hutt and Speh 1995), and even as the “glue” that keeps together the inter-organisational distribution channel (Mohr and Nevin 1990). However bonds between those effects have not been the field of research.

Adaptive selling and adaptive communication

Satisfying customers is the essence of marketing approach to running business (Kotler 2003). It demands the information about customers needs and wants and adaptation to them. This alignment depends also on mutual communication. Information and the way it is exchanged between parties are two areas of selling adaption to customer needs (Park and Holloway 2004). Salesperson may adapt the information he/she provides as well as the process of delivering the information in response to selling situation.

It is assumed that supplier that engages in a relational selling strategy should deliver messages to his customers in a manner that meets the needs and wants of each buyer (Guenzi, Pardo and Georges 2007, Sengupta, Krapfel and Pusateri 2000). This system is dynamic, because buyers needs change and salespersons may adapt to them (Jolson, 1997).

The supplier's adaptive behavior may appear on organizational level when customization of the offer is needed (e.g. Brennan and Turnbull, 1999; Cannon and Perreault, 1999) and on salesperson level, what is pointed out as adaptive selling (Spiro and Weitz, 1990). Considering this individual level of salesperson-buyer relations is important because the success of relational selling to customers depends on the ability to create interpersonal bonds between the supplier and the customer (Narayandas and Rangan 2004). Salespeople play key role in establishing and developing long-term buyer-seller relationships, because often buyers are more loyal to salespeople than to company they represent (Weitz and Bradford, 1999).

Concluding from the literature overview, there is considerable need to identify the extent of adaption of salespersons communication to buyers' needs and wants in research. The research should also show how fulfilling buyers expectation influences the buyer-salesperson

relationship. The concept of this research is based on considering salesperson-buyer communication in two fields: style and content (Sheth and Eckert 2006). Based on findings from various research on communication two areas were specified as follows:

- the style, which is formed by direction, frequency, medium and persuasion. (Sheth 1976, Wren and Simpson 1996);
- the content, which from the buyer's perspective is formed by his/her purposes: receiving important information and receiving it from reliable source (Sweitzer 1976) of personal or impersonal character (Moriarty and Spekman 1984) and receiving it on time (Andersen i Narus 1990).

Adaptation of salesperson communication to buyer's expectation might cause some effects on both sides. The research of outcomes of adaptive selling should be focused mainly on salesperson job satisfaction and job performance. Our purpose is to find out what are the relational outcomes of adaptive communication, treated as a tool of adaptive selling on customer.

Effects of Communications alignment

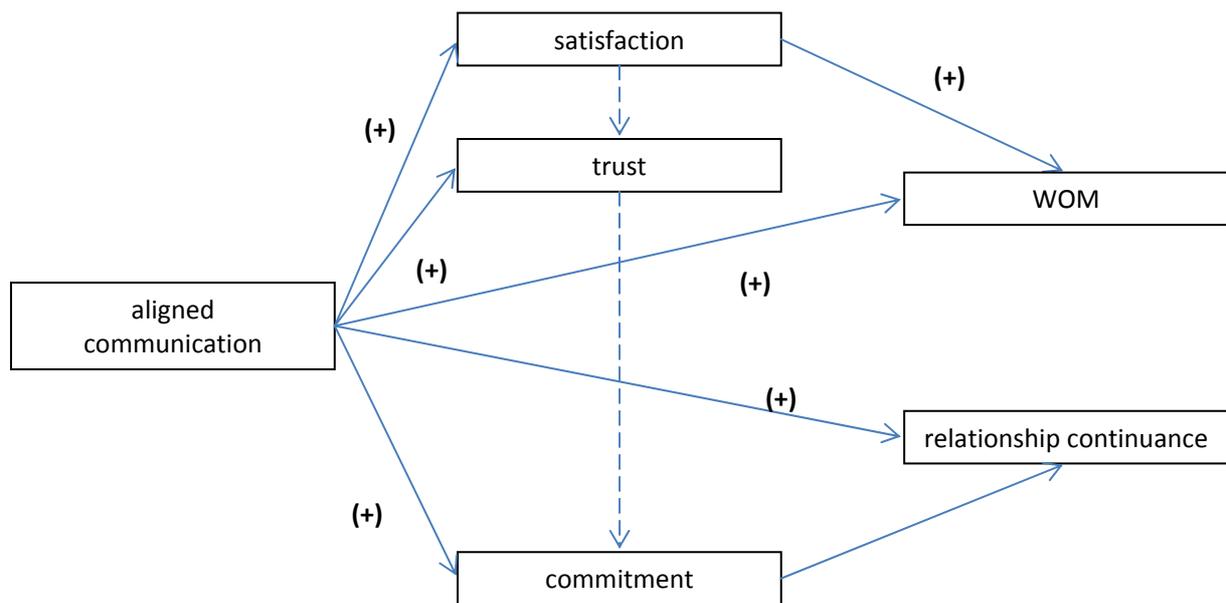
For selling firms, the adoption of a relational strategy is aimed at building on-going customer relationships and gaining competitive advantage through the acquisition of intangible assets such as customer trust and commitment (Morgan & Hunt, 1994). Trust and commitment are the most prevalent components of relationship duration in business-to-business context. In relationship model proposed by the IMP Group (Hakansson 1982) communications leads to satisfaction and trust. Crosby et al. (1990) identified and empirically examined dimensions of relationship quality as consisting of trust in the salesperson and satisfaction with the salesperson. Some authors (Woo and Ennew, 2004) enhanced it further, proposing that customer perceptions of the relationship include overall product or service satisfaction (Oliver 1997), performance trust and benevolence trust (Ganesan, 1994), depth or value of communication (Morgan and Hunt, 1994), firm or brand image (Anderson and Weitz, 1989), relationship quality (Crosby et al., 1990), and relationship satisfaction (Morgan and Hunt, 1994).

Thus we conclude that for communication alignment an effect of relationship outcomes should exist. The relationship strength is build up by:

- Trust: Doney and Cannon (1997) assume that trust encompasses total evaluation of other party ability to meet commitments and relative valuation of rewards and costs of keeping the relationship. Thus in order to trust the seller, buyer would have to asses positively the probability that expected outcomes will occur in the future.
- Commitment: for many authors it is commitment that reflects the quality of dyad relationship (Dash et al. 2007).
- Satisfaction: a positive connection between satisfaction and loyalty is also emphasised in the literature (Cronin and Taylor, 1992; Selnes 1993; Caruana 2002). That is, it is expected that high level of customer satisfaction lessen the probability of ending relationship. In practice, the level of buyers' satisfaction is normally directly translated into level of loyalty towards the brand. Nevertheless, research results indicate that loyalty and satisfaction must be treated as two different although interconnected phenomena (Bennett and Rundle-Thiele, 2004; Curasi and Kennedy, 2002; Jones and Sasser, 1990).

Concluding, we cannot definitely assume what are the effects of alligned communications, neither confirm from the literature inferential relationships between the variables.

Figure 1. Conceptual framework



In general, we would expect that relational outcomes (trust, satisfaction, commitment) influence attitudinal and behavioral business outcome, as relationship continuance (keeping “old” customers) and WOM (attracting new ones). So relationship outcomes should convert into sales results (either in keeping current sales or winning new sales opportunities).

A lot of research in recent years has been devoted to the concept of customer recommendations (e.g. Reinartz and Kumar 2002). This interest stems from the role which is attributed, especially in the sector of services, to positive word-of-mouth (WOM). Such recommendations are treated as a source of additional revenue for the company, as it is a way of gaining new customers (Gwinner, Gremler, and Bittner 1998; Kumar, Petersen, and Leone 2007). Although financial effects of recommendation shown by Reichheld (2003), have been questioned by some authors (Keiningham et. al 2007) it is rather a question of methodology used than of results obtained. The significant role of recommendation is reflected in demands to refer value of the customer not only to the value of their purchases, but also to the value of their recommendation (Kumar et al. 2007).

Summary

Concluding from literature review we find it important to verify if mutual communication affects relational and, in consequence, business outcomes. Still it is vital to investigate how the facet of relationship enables or hamper future sales. The presented concept will be verified in empirical research on polish companies.

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